

Nearly three years have passed since I first addressed an AmCham breakfast. At that time, way back in November 2010, we discussed a long list of economic reforms that might improve Slovenia's economic situation and forestall an economic crisis. Nearly three years later, most of those reforms are still being talked about. If the French speakers in the audience will forgive my lousy pronunciation: "Plus ça change; plus c'est la même chose." It is remarkable how much time has been squandered talking and bickering and changing governments, instead of focusing on needed reforms.

Of course, I am not being completely fair. There has been some progress -- just not enough. The new coalition has only been in office for a little over half a year. During this time the Prime Minister, against difficult odds, has worked hard to press ahead with necessary reforms and some significant reforms have now been enacted: referendum reform, the golden fiscal rule, a first round of privatization, and reaching consensus on a modest VAT increase. If these were ordinary times; these would be extraordinary achievements. But the opposite is true: these are extraordinary times and so these accomplishments seem only ordinary. Three years ago these reforms may well have been enough, but politicians -- and former politicians -- decided against these reforms and chose to go to early elections instead. Now there is less time and greater urgency.

One example shows how different the situation is today. When I gave my first AmCham speech in 2010 Slovenia had just tumbled 8 places on the Global Competitiveness Index from 37th to 45th place. The very next year it slipped another 12 places to 57th place. And now, in 2013, after slightly recovering in 2012, Slovenia has dropped another 6 notches to 62nd place. At the same time, Croatia has jumped from 81st place to 75th. If these trajectories continue, Croatia -- and several other neighboring states -- will soon bypass Slovenia.

Yet, there is much that can still be accomplished and much that can bring greater prosperity to Slovenia, to Europe and the United States. For example, ongoing negotiations between the United States and Europe on a Trans-Atlantic Trade and Investment Partnership (TTIP) exemplify the potential for the future. Our mutual goal to add to the more than 13 million American and European jobs is ambitious but doable. Trade

between Slovenia and the United States may be limited, but Slovenia's business community can play a vital role in supporting this new trade relationship and raising public awareness about TTIP's potential to contribute to growth in Slovenia and throughout the EU.

Slovenia's leaders know the recipe they must follow to restore health to Slovenia's economy: rehabilitate the banking sector, consolidate public finances, and really move forward with privatization. Some of the cabinet deserve credit for practical efforts to implement this vision, but familiar obstacles stand in the way. There are those who appear reluctant to reach necessary compromises, and some politicians have failed to explain the need for painful spending cuts to their supporters. And as everyone followed in the late-summer news, politicking over appointments to lead key state-run enterprises has also fueled divisions and distracted political leaders from vital work to reform the economy. I applaud those, including the Prime Minister, who are calling to get politics out of the nomination process for state-owned companies.

Let me just make three points. First, in Slovenia, as in the United States, too many so-called leaders are more interested in advancing their personal agendas and taking care of their friends and business partners than in taking care of the country. We need above all else political stability in both our countries, which is why another round of early elections would be needlessly painful for Slovenia. But the way to avoid early elections is to develop a broad consensus on how to improve Slovenia's economy. Right now the only true consensus is the desire of most Parliamentarians to retain their seats in Parliament. I'm sure that the Slovene people keenly sympathize with politicians wanting to retain their employment, but when leaders seem more worried about their own jobs than the jobs and welfare of the people, discontent swells and the people become even more disillusioned. It is crucial, therefore, that Slovenia's elected officials put aside their differences and really start to work together these next few weeks to avoid an EU bailout.

Which brings me to the second point: while the arrival of the Troika would not be disastrous for Slovenia, it would take a terrible toll on Slovenia's self-image and international reputation. I am surprised how many now quietly think that EU intervention is Slovenia's best chance of success. That Slovene politicians would even consider that an outside

force is necessary to fix the political stalemate is disappointing. I find it a little ironic that for three years some Slovenes have complained that it is interference when a foreign ambassador comments on the situation in their country, but now are willing to hand over decision-making to Brussels. Slovenes have waited a thousand years to have their own country, they have bled and died and made great sacrifices to finally be independent and to take into their own hands their destiny. It would be tragic if after only 22 years of true sovereignty, Slovenia gave up and was “rescued” by outside forces. That is a colonial mentality that should not prevail. But in order for it not to prevail, extraordinarily difficult decisions must be made on cutting expenditures and pressing forward with privatization. Slovenia’s leaders must seize the day and make decisions necessary to safeguard the country.

Finally, I would quote one of my favorite Sicilian proverbs -- and it has nothing to do with revenge or killing people. The proverb can roughly be translated as, “Not all bad things come to do us harm.” That is, the struggles and pain that Slovenia is going through now could usher in a much better future, making Slovenia more competitive, making Slovenia less corrupt, and ensuring the future welfare and happiness of its citizens. Thank you.